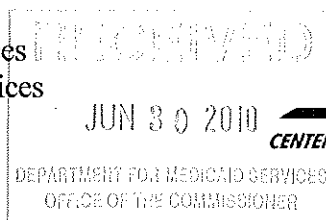


Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth Street, SW, Suite 4T20
Atlanta, Georgia 30303-8909



June 25, 2010

Elizabeth A. Johnson, Commissioner
Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

File

Dear Ms. Johnson:

We have reviewed the proposed amendment to the Kentucky Medicaid State Plan that was submitted under transmittal number 10-001 and received in the Regional Office on March 30, 2010.

This State Plan Amendment allows the Commonwealth of Kentucky to procure a vendor to provide an Asset Verification System for Medicaid eligibility determinations as required by Public Law 110-252.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 10-001 was approved on June 25, 2010. The effective date of this amendment is September 30, 2010. We are also enclosing the approved HCFA-179 and the plan pages.

If you have any questions or need further assistance, please contact Sally Brown at (404) 562-7352 or Maria Donatto at (404) 562-3697.

Sincerely,

Jackie Glaze

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

*original: Sharley Hynes
copy: Commissioner Johnson*

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
10-001

2. STATE
Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
1/1/2010

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
1940(a)

7. FEDERAL BUDGET IMPACT:
a. FFY 2010 - budget neutral
b. FFY 2011 - Budget increase

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 2.6A

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same

10. SUBJECT OF AMENDMENT

This plan amendment allows the Commonwealth to procure a vendor to verify assets in determining Medicaid eligibility.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Review delegated
to Commissioner, Department for Medicaid
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Elizabeth A. Johnson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: December 28, 2009

16. RETURN TO:

Department for Medicaid Services
275 East Main Street 6W-A
Frankfort, Kentucky 40621

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

03/30/10

18. DATE APPROVED:

06/25/10

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/10

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Jackie Glaze

22. TITLE: Associate Regional Administrator

Division of Medicaid & Children's Health Opns

23. REMARKS:

Approved with following changes as authorized by State Agency on email dated 05/10/10:

Block # 4 Proposed effective date 01/01/10 Changed to read: Proposed effective date 09/30/10; Block #8 Attachment 2.6-A; Changed to read: Supplement 16 to Attachment 2.6-A pages 1 thru 3; Block 15 Date Submitted 12/28/09 Changed to read: Date Submitted 03/30/10; Block #9 Same changed to read: Supplement 16 to Attachment 2.6-A pages 1 thru 3.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Kentucky

ASSET VERIFICATION SYSTEM

- 1940(a) 1. of the Act The agency will provide for the verification of assets for purposes of determining or redetermining Medicaid eligibility for aged, blind and disabled Medicaid applicants and recipients using an Asset Verification System (AVS) that meets the following minimum requirements.
- A. The request and response system must be electronic:
 - (1) Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
 - (2) The system cannot be based on mailing paper-based requests.
 - (3) The system must have the capability to accept responses electronically.
 - B. The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department's National Institute of Standards and Technology, or NIST).
 - C. The system must establish and maintain a database of FIs that participate in the agency's AVS.
 - D. Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant's home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or redetermine the individual's eligibility.
 - E. The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.

TN No.: 10-001

Approval Date: 06-25-10

Effective Date: 01/01/2010

Supersedes TN No.: New Page

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Kentucky

ASSET VERIFICATION SYSTEM

2. System Development

☐ A. The agency itself will develop an AVS.

In 3 below, provide any additional information the agency wants to include.

☒ B. The agency will hire a contractor to develop an AVS.

In 3 below provide any additional information the agency wants to include.

☐ C. The agency will be joining a consortium to develop an AVS.

In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.

☐ D. The agency already has a system in place that meets the requirements for an acceptable AVS.

In 3 below, describe how the existing system meets the requirements in Section 1.

☐ E. Other alternative not included in A. – D. above.

In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Kentucky

ASSET VERIFICATION SYSTEM

3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

In order to implement the requirements of an asset verification system, the Kentucky Department for Medicaid Services will select a contractor through a Request for Proposal (RFP) process. The contractor will meet the Commonwealth's regulatory criteria and qualifications. The contractor will be responsible for utilizing the required authorizations from applicants and recipients to carry out the asset verification program aforementioned in Section 1 and consistent with the program utilized by the Commissioner of Social Security under section 1631(e)(1)(B)(ii) of the Social Security Act. The Commonwealth will provide guidance to the contractor in the development of the program and monitor the program's implementation. The contractor shall be responsible for compilation of data for the Commonwealth to comply with federally required AVS report submissions. The contracted entity shall be subject to the same requirement on use and disclosure of information as would be applicable if the Commonwealth were to directly perform the AVS activities.